

~~SECRET~~

18 June 1965

MEMORANDUM TO: SA/AD/RR

THROUGH: Chief, D/R

SUBJECT: DOD Proposal To Abolish EIC Subcommittee on Industrial Machinery and Equipment

1. Early in its history the Industrial Machinery Subcommittee served effectively as a focal point for an exchange of ideas and opinions between analysts of different agencies responsible for studying the production of machinery in the Soviet Bloc countries. However, presently ORR is the only component in the government that is devoting major resources to this subject. For many years, it has been apparent that State, Commerce, and most of the DOD components have been in no position to make an effective substantive contribution to the Subcommittee's major areas of responsibility. The last meeting of the Subcommittee was held in 1961.

2. At various times in years past the chairman has attempted to initiate useful inter-Agency activities through the Subcommittee. All such attempts were unsuccessful, the programs unfortunately taking on an artificial, make-work complexion because they did not stem from a real need of the community.

3. In recent years the major justification for the Subcommittee has been that it maintained the potential for instituting effective inter-Agency action if the need arose. It is probable, however, that inter-Agency coordination can just as effectively be handled outside the EIC structure. For example, during 1959-60 the Machinery Subcommittee was responsible for proposing and planning a US-USSR machine tool exchange. When the exchange was re-initiated in 1964 the details were worked out by an inter-Agency working group outside the EIC. This approach was just as successful as the earlier planning under the EIC.

4. In conclusion, there is probably little justification to maintain the Machinery Subcommittee on a standby basis to meet potential problems that seldom arise or can be equally well handled by less formal.

~~SECRET~~

~~SECRET~~

inter-Agency coordination. Abolition of this Subcommittee will not deprive ORR of any essential inter-Agency contacts. It is, therefore, difficult not to agree with the DOD recommendation that the Subcommittee on Industrial Machinery and Equipment be abolished.

25X1A9a


Chief, Manufacturing Branch

-2-

~~SECRET~~